



CC Do. 93-22 JACKET FILE COPY ORIGINAL

Federal Communications Commission  
Washington, D.C. 20554

**RECEIVED**

October 24, 1994

**OCT 24 1994**

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

**EX PARTE OR LATE FILED**

The Honorable Chet Edwards  
Member, House of Representatives  
710 University Tower  
700 S. University Parks Drive  
Waco, Texas 76706  
Attention: Sam Murphey


Dear Congressman Edwards:

This letter responds to your correspondence on behalf of Lonnie Short regarding charges on his telephone bill and relating to information services provided on 800 numbers. Your letter, as well as the complaint of your constituent, has been referred to the Enforcement Division of the Common Carrier Bureau for review. The Enforcement Division will communicate with your constituent upon completion of its review.

The Telephone Disclosure and Dispute Resolution Act (TDDRA) was enacted by Congress in 1992 and required both the Federal Communications Commission and the Federal Trade Commission (FTC) to adopt rules governing the provision of pay-per-call services. Under the TDDRA, the FCC has jurisdiction over the telecommunications carriers involved in the transmission and billing of the telephone calls, while the Federal Trade Commission has jurisdiction over the information service companies themselves.

The TDDRA generally required pay-per-call services to be provided on 900 telephone numbers and generally prohibited the provision of these services on 800 numbers, except in instances where the caller has entered into a presubscription agreement or comparable arrangement with the information service provider. Pursuant to the Commission's rules, which became effective on September 24, 1993, a presubscription agreement entails a formal contractual understanding whereby the consumer is provided clearly and conspicuously all terms and conditions associated with the use of the service and affirmatively agrees to abide by them.

The Commission has received numerous complaints similar to those described by your constituent. These complaints are processed by the Enforcement Division of the Common Carrier Bureau by serving a copy of the complaint upon the telecommunication carriers involved, who must generally respond in writing within 30 days. Beyond reviewing these



The Honorable Chet Edwards  
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complaints and pursuing appropriate action to resolve them, the Commission has undertaken several efforts. First, Common Carrier Bureau staff has met with the carriers that provide the billing service for calls to 800 numbers as well as interexchange carriers who provide the 800 number transport to emphasize their obligations under the TDDRA and the rules of the Commission. Secondly, because the increase in the number of complaints has been so significant, we have started an investigation of these practices, with special focus on whether any companies have attempted to evade or violate our rules. Additionally, as part of the effort to make clear the carriers' responsibilities under the law, the Common Carrier Bureau has recently issued a ruling holding that the information provider's receipt of the originating telephone number, a practice that was serving as the premise of some charges, does not in itself constitute a presubscription agreement.

Moreover, on August 2, 1994, the Commission instituted a Notice of Proposed Rulemaking seeking to strengthen Commission rules to prevent abusive and unlawful practices under the TDDRA. Specifically, the Commission has sought public comment on a proposal to require that a presubscription agreement be established only with a legally competent individual and executed in writing, and that common carriers obtain evidence of the written agreement before issuing a telephone bill that contains charges for presubscribed information services. Under the proposed rules, these telephone bills could be addressed only to the individual who actually entered into the presubscription arrangement, not to the person or company whose telephone was used to place the call. The Commission has tentatively concluded that this and other proposed changes would significantly assist in eliminating the source of many consumer complaints. Enclosed is a summary of the Commission's action in this regard.

We appreciate receiving your correspondence. Please call upon us if we can provide any additional information.

Sincerely,



Kathleen M.H. Wallman  
Chief  
Common Carrier Bureau

Enclosure

CHET EDWARDS  
11TH DISTRICT, TEXAS

ARMED SERVICES COMMITTEE  
RESEARCH AND TECHNOLOGY  
SUBCOMMITTEE  
MILITARY INSTALLATIONS AND  
FACILITIES SUBCOMMITTEE  
OVERSIGHT AND INVESTIGATIONS  
SUBCOMMITTEE

VETERANS' AFFAIRS COMMITTEE  
HOSPITALS AND HEALTH CARE  
SUBCOMMITTEE  
COMPENSATION, PENSION, AND  
INSURANCE SUBCOMMITTEE

**Congress of the United States**  
**House of Representatives**  
**Washington, DC**

September 7, 1994

WASHINGTON OFFICE  
328 CANNON BUILDING  
WASHINGTON, DC 20515-4311  
(202) 225-6105  
FAX (202) 225-0350

DISTRICT OFFICE  
710 UNIVERSITY TOWER  
700 S. UNIVERSITY PARKS DRIVE  
WACO, TEXAS 76706-1093  
(817) 752-9600  
FAX (817) 752-7769

*CCB  
cc-card  
4457*

Congressional Liaison  
Federal Communications Commission  
Complaints & Investigations  
2025 M Street, N.W. Rm 8210  
Washington, D.C. 20554

Dear Friend:

The enclosed inquiry by Mr. Lonnie Short is forwarded to your office for consideration.

It would be most helpful if you would review this matter and provide me with your position in order that I may respond to the inquiry.

You may direct your reply to the following address:

**Congressman Chet Edwards**  
**710 University Tower**  
**700 S. University Parks Drive**  
**Waco, TX 76706**  
**Attn: Sam Murphey**

Thank you for your assistance.

Sincerely,

*Chet*

Chet Edwards  
Member of Congress

CE:sm

enclosure



# Custom Telephone



# Systems, Inc.

Waco \* Temple \* Killeen

Date: 7/12/94

Number of pages including cover: 2

Direct Fax to:

Name: Chet Edwards

Company: \_\_\_\_\_

Phone No: \_\_\_\_\_

Fax No: 752-9600 <sup>7699</sup> ? ?

From:

Name: Lonnice Short

Company: Custom Telephone Systems, Inc.

Waco No: (817)752-5517

Fax No: (817)752-3023

Killeen No: (817)634-8990

Temple No: (817)774-8148

Comments: Please read this letter that was

sent to one of my customers in Mexico

This type of thing gives the telephone

industry a real Black Eye. Something

needs to be done but is going to have to

be by a law being passed.

Please Call Me, Thanks Lonnice Short

P.O. Box 21566 Waco, TX 76702-1566 \* 1404 S. New Road Waco, TX 76711

AMERICAN TELNET BILLING SERVS.  
P.O. Box 790930  
SAN ANTONIO, TEXAS 78279-0930

817 - 752-5511  
752-9600 gmy

22

DATE: 06/14/94

6104/sm

AUG 01 1994

KING'S INN  
N HWY 14  
MEXIA, TX 76667  
ATTN: MR PATEL

RE: Account number (817) 562-3814

Amount disputed \$99.75 plus tax

Bill Date 05/09/94

Dear Customer:

In reference to the above account number, bill date, and disputed amount, AMERICAN TELNET BILLING SERVS cannot issue credit due to the following:

SOMEONE WITH ACCESS TO YOUR TELEPHONE DIALED A 1-800 NUMBER TO REQUEST OUR SERVICES. OUR COMPUTER RETAINED THE TELEPHONE NUMBER FROM WHICH THE CALL ORIGINATED. THE CALLING PARTY WAS INSTRUCTED TO PRESS THE STAR KEY TO RECEIVE A FREE CALLING CARD NUMBER (THE LAST FOUR DIGITS OF THE ORIGINATING NUMBER + A FOUR-DIGIT PIN CODE). THE CALLER WAS INSTRUCTED TO LEAVE A VOICE-CAPTURE MESSAGE STATING NAME & BIRTHDATE (THIS INFORMATION IS NOT MANDATORY). THE CALLER WAS THEN INSTRUCTED TO HANG UP & REDIAL THE 800 NUMBER TO USE THE CALLING CARD NUMBER TO RECEIVE SERVICE. SERVICE CAN ONLY ORIGINATE FROM THE NUMBER TO WHICH THE CALLING CARD WAS ASSIGNED. ALTHOUGH YOU ARE RESPONSIBLE FOR PAYMENT OF CHARGES, NO FURTHER SERVICE WILL BE ALLOWED FROM OUR FACILITIES.

If you have any questions and/or comments relating to this inquiry and the subsequent results, please contact one of our Customer Service Representatives at 1-800-460-0307. Our business hours are Monday through Friday, 8 a.m. to 6 p.m. Central Standard Time.

Chet  
752-9600

Please forward  
to Lonnie Short